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DEVELOPERS FEELING THE CRUNCH

Melvin Simon & Associates opened the most square footage last year, but most of the Fastest Growing Developers for 1990 doubt that they can repeat their multi-million sq. ft. openings in coming years. The credit crunch is slowing development for even the largest firms. "This is an equal opportunity crisis," says Christopher J. Tennyson, vp-corporate affairs of Taubman Co. . . . 62

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Gateway Mall in Eugene, Ore., added more than 700,000 sq. ft. to General Growth's portfolio.

THE FINAL DAYS OF BIG DEVELOPMENT? EVEN THE FASTEST GROWING DEVELOPERS ANTICIPATE SLOWDOWN

It may be one of the last gasps of multimillion-sq.-ft. shopping center development.

All of the top 10 Fastest Growing Developers for 1990 built more than two million sq. ft. The top four built more than three million sq. ft. And the leading developer opened more than four million sq. ft. of new space last year. But no one expects those numbers to show up again in 1992 or 1993.

Taking the top spot for 1990 is Indianapolis-based Melvin Simon & Associates, with more than 4.6 million sq. ft. opened last year.

"I don't know if that's an honor or not in this environment," says Herbert Simon, president. "You're seeing the reflection of growth that took place a couple of years ago."

For its exclusive survey, *Chain*

Fastest growing developers

Company	New sq. ft. 1990
Melvin Simon & Associates	4,690,050*
Homart	3,979,364
Edward J. DeBartolo Corp.	3,888,395
Wilmarite	3,400,000
General Growth Cos.	2,846,000
CBL & Associates	2,280,319
Kornwasser & Friedman	2,255,000
Western Development Corp.	2,200,000
Westcor Partners	2,105,328
The Taubman Co.	2,050,000
Forest City	1,791,037
The Pyramid Cos.	1,625,000
Ramco-Gershenson	1,565,613
Developers Diversified	1,445,587
Crown American Corp.	1,405,144

*Includes space since sold.

Source: Company reports

Store Age Executive asked developers to list new space and newly-built expansions opened in the calendar year 1990. Space opened counted for all joint venture partners.

The credit crunch is slowing devel-

opment for even the largest firms. Projects that open this year were started, and financed, before loan money ran out.

"The credit crunch is real, and does not discriminate. This is an equal opportunity crisis," says Christopher J. Tenayson, vp-corporate affairs for 10th-ranking Taubman Co.

"We really have not started anything in 1991. We're building projects started with prior financing commitments," says Richard S. Sokolov, senior vp-development of third-ranking Edward J. DeBartolo Corp., Youngstown, Ohio.

Development will continue slowly, if at all.

"Clearly, the industry won't continue building at the same pace," says Richard Welcome, executive vp-regional mall development for Homart. ■

SHOPPING CENTER AGE

TOP DEVELOPERS

Melvin Simon & Associates

Centers opened in 1990

St. Charles Towne Center, Waldorf, Md.—976,000 sq. ft.
 Pavilions at Buckland Hills, Manchester, Conn.—822,000 sq. ft.*
 Lincolnwood Town Center, Lincolnwood, Ill.—432,400 sq. ft.
 Willow Knolls Court, Peoria, Ill.—340,500 sq. ft.
 Village Park Plaza, Westfield, Ind.—312,800 sq. ft.
 Crystal Court, Crystal Lake, Ill.—274,800 sq. ft. expansion
 Yards Plaza, Chicago, Ill.—266,500 sq. ft.
 St. Charles Towne Plaza, Waldorf, Md.—179,500 sq. ft. expansion
 Lincoln Crossing, O'Fallon, Ill.—141,000 sq. ft. expansion
 Bloomingdale Court, Bloomingdale, Ill.—138,000 sq. ft.
 East Towne Commons, Knoxville, Tenn.—132,700 sq. ft.
 Westland Park Plaza, Jacksonville, Fla.—132,200 sq. ft.
 West Ridge Mall, Topeka, Kan.—120,500 sq. ft. expansion
 Regency Plaza, St. Charles, Mo.—125,000 sq. ft. expansion
 North Riverside Park Mall, North River side, Ill.—77,700 sq. ft. expansion
 Oakwood Mall, Enid, Okla.—71,400 sq. ft. expansion
 Shops at 86th Street, New York, N.Y.—70,000 sq. ft.
 Valle Vista Mall, Harlingen, Texas—26,000 sq. ft. expansion
 Buffalo Grove Town Center, Buffalo Grove, Ill.—23,000 sq. ft. expansion
 South Park Mall, Shreveport, La.—21,600 sq. ft. expansion
 Windsor Park Mall, San Antonio, Texas—6,450 sq. ft. expansion

*Interest since sold to joint venture partner Homart.

Source: Melvin Simon & Associates

Creative financing is becoming the key to continued growth for Melvin Simon & Associates, even as the firm retools its portfolio.

The firm has just put together an innovative \$50 million partnership to finally begin the \$115 million first phase of Circle Centre, its mixed-use complex in Indianapolis.

Twelve local investors, including American States Insurance Co., Indiana Bell and The Lilly Retirement Plan, have signed a letter of interest in forming the partnership.

"Now we're looking for the construction loan. With that amount of equity, we feel we have a good chance of getting it," says Herbert Simon, president of the Indianapolis-based developer.

Meanwhile, Simon is altering its portfolio as it retrenches financially.

The firm recently sold its interest in the newly-opened Pavilions at Buckland Hills in Manchester, Conn., to joint venture partner Homart.

"We needed the money," Simon says simply. "It was a matter of tidying up our balance sheet a bit. The current environment is requiring us to be a bit more conservative."

In another money-raising effort, Simon sold a partial interest in its Fashion Centre at Pentagon City in Arlington, Va. to Lehndorff.

"That was more of a normal refinancing than a sale," Simon explains.

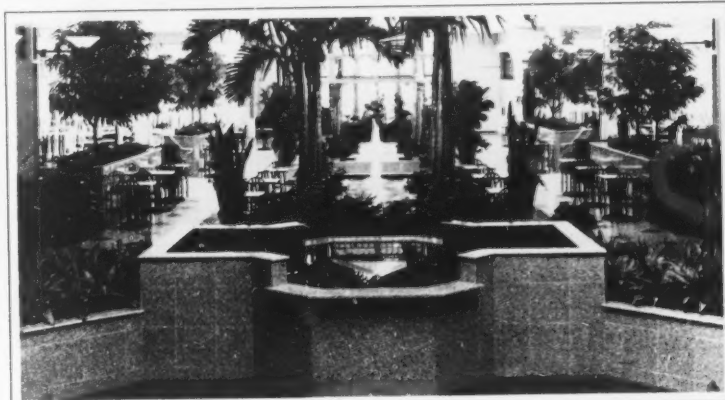
And future sales are not ruled out.

"There will be selective sales and refinancings. We will have more refinancings than sales. We don't like to

sell anything, but now and then you have to," Simon says.

Despite the money crunch, new development continues. Set for 1991 openings are Oak View Mall and Oak View Plaza in Omaha, Neb., and Scottsdale (Ariz.) Galleria. Opening in 1992 are The Forum Shops at Caesar's in Las Vegas and the Mall of America in Bloomington, Minn.

"We've been able to figure out the changes in the financing market over the years. There's always some way of getting good projects built. I have a feeling that some creative way of financing for selected good projects will be available in some period of time, and we'll get some projects done," Simon says.



Edward J. DeBartolo Corp.'s Northfield Square serves the Kankakee, Ill. market.

The credit crunch that has stalled building around the country doesn't appear to have affected Chicago-based Homart too much.

"We try to start three or four shopping centers each year. We are working hard to maintain that schedule in '91 and '92," says Richard Welcome, executive vp-regional mall development.

The firm plans to start four regional centers this year: most probably Arrowhead Mall in Glendale, Ariz. (a joint venture with Westcor Partners); LakeLine Mall in Austin, Texas, (with Melvin Simon & Associates); North Atlanta (Ga.) Mall (with JMB) and Pembroke Lakes Mall in Pembroke Pines, Fla. (with Edward J. DeBartolo Corp.).

Homart Development

Centers opened in 1990

Superstition Springs Center, East Mesa, Ariz.—963,200 sq. ft.
 The Pavilions at Buckland Hills, Manchester, Conn.—822,000 sq. ft.
 Arden Fair, Sacramento, Calif.—598,593 sq. ft. expansion
 Steeplegate Mall, Concord, N.H.—436,455 sq. ft.
 Columbiana Centre, Columbia, S.C.—360,116 sq. ft.
 Riverdale Crossing, Coon Rapids, Minn.—325,000 sq. ft.
 The Parks at Arlington, Arlington, Texas—218,000 sq. ft. expansion
 Vista Ridge, Lewisville, Texas—140,000 sq. ft. expansion
 North Shore Square, Slidell, La.—116,000 sq. ft. expansion

Source: Homart Development

SHOPPING CENTER AGE

TOP DEVELOPERS

Construction has begun on Moreno Valley (Calif.) at Towngate, a joint venture with Fritz Duda and Co. The firm also plans to build several new community centers.

The company hopes to acquire at least one center this year, with plans to expand it, Welcome says.

A major reason behind all the activity is Homart's greater equity participation in its projects. The firm has always put more of its own money into its cen-

ters than many other developers.

"We're not as sensitive to the financing issues as other developers because we tend to be leveraged less," Welcome says.

What may temporarily change is where new projects are built. Smaller markets may have to wait.

"Lenders only want to look at major projects in major markets. That's where we're putting our emphasis today. It's a short-term change in priorities," he says.

Edward J. DeBartolo Corp.

Centers opened in 1990

The Avenues, Jacksonville, Fla.—1,200,000 sq. ft.
Northfield Square, Bradley/Kankakee, Ill.—770,032 sq. ft.
Crystal River Mall, Crystal River, Fla.—485,853 sq. ft.
Castleton Square, Indianapolis, Ind.—253,179 sq. ft. expansion
Park Place, Sandusky, Ohio—422,437 sq. ft.
Plaza at Biltmore Square, Asheville, N.C.—171,947 sq. ft.
Gulf View Square, Port Richey, Fla.—107,000 sq. ft. expansion
Lakeland Square, Lakeland, Fla.—107,000 sq. ft. expansion
Deer Creek Center, Maplewood, Mo.—101,000 sq. ft.
Great Northeast, Philadelphia, Pa.—100,947 sq. ft.
Chesapeake Center, Chesapeake, Va.—89,000 sq. ft.
University Center, South Bend, Ind.—60,000 sq. ft.
Southern Park Mall, Youngstown, Ohio—20,000 sq. ft. expansion

Source: Edward J. DeBartolo Corp.

While Youngstown, Ohio-based Edward J. DeBartolo Corp. will hold several openings this year, tight money is slowing new construction starts.

"The crisis is not borrower-specific nor project-specific," says Richard S.

Sokolov, senior vp-development.

"We are sitting on a number of projects that would have started construction this year," he says.

Even for DeBartolo, it's a struggle. "I don't know that we'll be able to obtain the financing. I have received no encouragement from any of the traditional sources of construction or permanent financing," Sokolov says.

Meanwhile, DeBartolo can take comfort—and cash flow—in an already large, successful shopping center portfolio.

Mall of the Mainland in Texas City, Texas, (a joint venture with MGHerring Group) opened in March. Opening later in 1991 are Virginia Center Commons in Richmond, Va. (with Faison Associates), CoolSprings Galleria in Nashville (with CBL & Associates), and Illinois Centre in Marion, Ill.

Caution is the watchword.

"If the project makes sense, we'll spend time on it. We are certainly ensuring that our financing is in place before we commence with any new projects," Sokolov says.

"We are not taking a backward step. We are trying to position ourselves for the future. We've got a number of projects we will keep in the pre-development stage. We'll keep working on them," he adds.

Wilmorite

Centers opened in 1990

Freehold Raceway Mall, Freehold, N.J.—1,450,000 sq. ft.
Irondequoit Mall, Rochester, N.Y.—850,000 sq. ft.
Wilton Mall at Saratoga, Saratoga, N.Y.—750,000 sq. ft.
Fayetteville Mall, Syracuse, N.Y.—350,000 sq. ft.

Source: Wilmorite, Inc.

"The Wilmot family (the owners of Wilmorite) have determined that moving elsewhere is important," he says.

While three of the regional malls the firm opened in 1990 are located in New York State, the fourth, Freehold Raceway Mall, is in central New Jersey. The firm's Charlestowne Mall will open outside Chicago in August.

The firm continues to look for new opportunities in New York and elsewhere.

Expansions are planned for Shoppingtown Mall in Dewitt, N.Y., Eastview Mall in Victor, N.Y., and Greece Towne Mall in Greece, N.Y.

"Leaving the northeast wouldn't even have been considered five years ago. Now there are many other exciting things coming up. This has successfully positioned the company and the Wilmot family for the future," Kraus says.

Three new malls and substantial expansions in 1990 have kept Des Moines-based General Growth Cos. busy.

"Anything we do today really was started two, four, even six years ago. Many times, development has a tendency to bunch like that," says Jon E. Batesole, president of the firm's General Growth Development division.

Most exciting for the firm has been its growing interest in large entertainment areas in its centers, such as at the newly-opened River Falls Mall in Clarksville, Ind.

"Since River Falls has opened, we've had a great deal of interest in it. We're looking at a lot of opportunities, and think there will be some opportunities for the entertainment complex," in both new centers and renovations, Batesole says.

Which centers get these complexes have yet to be determined. There's

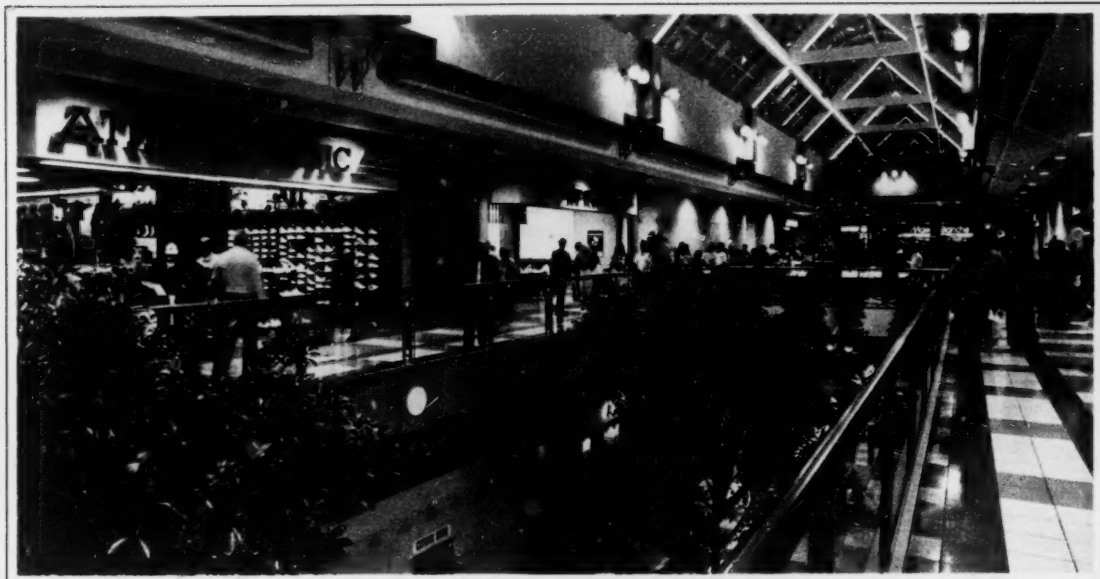
Broadening their horizons has certainly helped the expansion of Rochester, N.Y.-based Wilmorite's portfolio.

Until the mid-1980s, the firm built exclusively in upstate New York. Now, Wilmorite has expanded into the northeast—and beyond.

"Beginning in the mid-1980s with our program for Danbury [Conn.] Fair Mall, our focus changed from being confined to one region to not being bound to a geographic profile," says John Kraus, president of the firm's Genesee Management subsidiary. Danbury Fair opened in 1986.

SHOPPING CENTER AGE

TOP DEVELOPERS



Mall of the Avenues, a joint venture of CBL & Associates and Edward J. DeBartolo Corp., opened in Jacksonville, Fla. last September.

General Growth Cos.

Centers opened in 1990

River Falls Mall, Clarksville, Ind.—
750,000 sq. ft.
Gateway Mall, Eugene, Ore.—730,000
sq. ft.
Birchwood Mall, Port Huron, Mich.—
720,000 sq. ft.
Southdale, Edina, Minn.—340,000 sq. ft.
expansion
SouthPark Mall, Moline, Ill.—234,000 sq.
ft. expansion
The Pines, Pine Bluff, Ark.—72,000 sq. ft.

Source: General Growth/Center Cos.

no set formula.

"There are niches we are trying to look for—weather-related markets with extremely hot or cold temperatures, a particular market that doesn't have that kind of entertainment," Batesole says.

Openings for 1991 include shopping centers in Colorado Springs, Colo., Mankato, Minn., and Traverse City, Mich., and expansions in Davenport, Iowa, and Ala Moana Center in Honolulu.

Even more rehabs are further down the line. "We're looking at 22 possible expansions and renovations," Batesole says. General Growth will keep busy, Batesole says. "The business will never be as good as it once was, but we will see different types of activity. Our business will survive," he says. ■

Some developers specialize in building regional malls, others in community centers. Chattanooga-based CBL & Associates has grown by building both.

"We have made a deliberate effort to have a balanced program of regional malls and new strip centers. That balance has enabled us to accomplish what we have in the past several years," says Charles B. Lebovitz, president and ceo.

That includes the Avenues in Jacksonville, Fla. (a joint venture with Edward J. DeBartolo Corp.) and Inlet Square malls, as well as several strip centers.

Continued expansion will come in a new region for the firm—New England. Headed by Lebovitz's son Stephen, CBL's New England regional office in Boston has been busy.

"It's already made a meaningful difference, with three projects already under construction," to open late this year, Lebovitz says.

The firm's CoolSprings Galleria (a joint venture with Edward J. DeBartolo Corp.) will open in Nashville later this year. Construction has begun on a 600,000-sq.-ft. mall in Sebring, Fla. to open in 1992.

"There will be many good opportunities for future malls and for good strips. The real red flag is overbuild-

CBL & Associates

Centers opened in 1990

The Avenues, Jacksonville, Fla.—
1,200,000 sq. ft.
Inlet Square, Myrtle Beach, S.C.—508,217
sq. ft.
Bradley Commons, Cleveland, Tenn.—
133,273 sq. ft.
Hamilton Corner, Chattanooga, Tenn.—
88,520 sq. ft.
Village at Wexford, Houghton Lake,
Mich.—85,950 sq. ft.
Village at Wexford, Cadillac, Mich.—
72,450 sq. ft.
Girvin Plaza, Jacksonville, Fla.—55,947
sq. ft.
Park Village, Lakeland, Fla.—51,761
sq. ft.
Hampton Plaza, Tampa, Fla.—47,211
sq. ft.
Genesis Square, Crossville, Tenn.—
36,990 sq. ft.

Source: CBL & Associates

ing. If that means there will be a reduction in the total amount of shopping centers for CBL & Associates and for the industry, that's probably a very smart result," Lebovitz says.

"The proper measures for shopping centers now are their productivity, sales achievement and leasing achievement. The bottom line for our company no longer is location, location, location. Today, it's income, income, income," he says. ■

SHOPPING CENTER AGE

TOP DEVELOPERS

Kornwasser & Friedman

Centers Opened in 1990

Price Club Plaza, Tempe, Ariz.—391,000 sq. ft.
Price Club Plaza, Copiague, N.Y.—236,000 sq. ft.
Price Club Plaza, Corona, Calif.—218,000 sq. ft.
Price Club Plaza, Glendale, Ariz.—178,000 sq. ft.
Price Club Plaza, Fountain Valley, Calif.—156,000 sq. ft.
Price Club Plaza, Northridge, Calif.—140,000 sq. ft.
Price Club Plaza, Aurora, Colo.—139,000 sq. ft.
Price Club Plaza, Tucson, Ariz.—138,000 sq. ft.
Price Club Plaza, Maple Shade, N.J.—132,000 sq. ft.
Price Club Plaza, East Sacramento, Calif.—130,000 sq. ft.
Price Club Plaza, Gaithersburg, Md.—125,000 sq. ft.
Price Club Plaza, Chesterfield, Va.—112,000 sq. ft.
Price Club Plaza, Bakersfield, Calif.—107,000 sq. ft.
Price Club Plaza, Azusa, Calif.—27,000 sq. ft. expansion
Price Club Plaza, Denver, Colo.—26,000 sq. ft. expansion

Source: Kornwasser & Friedman

The expansion of Price Club has been good to Kornwasser & Friedman.

As Price Club's joint venture development partner, the Los Angeles-based developer has consistently been building more than two million

sq. ft. of new retail each year. And there's no end in sight.

"We're building more than ever before, including the Northeast corridor," says Joseph Kornwasser, managing partner. The firm is looking at further expansion in northern New Jersey, Long Island, N.Y., Philadelphia and Connecticut.

Construction in the region will continue despite the difficulties most developers have faced in finding enough land and money. The real estate downturn actually has helped Kornwasser & Friedman's growth.

"We are in escrow on four projects that would have been either malls or major [strip] centers that developers couldn't perform on. We're committing to more projects than ever before because we're taking advantage of the times," Kornwasser says. He notes that he does not utilize bank financing, getting funds internally through Price Co.

"We're able to buy land for cash, and thus are able not only to buy land we couldn't have before, but for good prices," he adds.

Tying his firm's fortunes so closely to one retailer doesn't concern Kornwasser at all.

"Price Co. is a strong, successful company. I'm not in the same situation as most developers, fighting for financing in a liquidity crunch. If I'm going to tie my destiny to any retailer, I'm happy to do it with them," he says.

Western Development Corp.

Centers opened in 1990

Sawgrass Mills, Sunrise, Fla.—2,200,000 sq. ft.

Source: Western Development Corp.

A philosophy of building them big and value-oriented has led to Washington, D.C.-based Western Development opening 2.2 million sq. ft. in 1990—with one project, Sawgrass Mills in Sunrise, Fla.

Its newest value-retail megamall is its most successful so far in terms of sales per square foot.

"The Mills are doing extraordinarily

well. Sawgrass Mills is averaging \$400 per square foot. Potomac Mills (Daly City, Va.) is doing \$300 per square foot, and Franklin Mills (Philadelphia) swings between \$280 and \$300 per square foot," says Patience O'Connor, senior vp-marketing manager.

The success of the projects depends on attention to such details as architecture and amenities, O'Connor says. The centers feature video courts, and break up their size by theming different sections.

"All of that matters to shoppers," O'Connor says.

The Mills' tenant mix should not be forgotten, she adds. "We've gotten Nordstrom Rack, a Spiegel outlet, Laura Ashley, Calvin Klein and Ann

Taylor," she says.

The firm continues with its plans for more Mills projects. Western will open the two million-sq.-ft. Gurnee Mills outside Chicago this year. A 700,000-sq.-ft. expansion of Potomac Mills and the 2.7 million-sq.-ft. Ontario (Calif.) Mills are scheduled for 1992 completion. The firm also hopes to expand its traditional Kenwood Towne Centre in Cincinnati eventually.

"The only thing that's slowing us down is the additional time it is now taking to get financing. As the economy stabilizes, we hope the time will shorten," O'Connor says.

The Mills may have an advantage over more traditional, full-retail centers.

"It is the concept for the current marketplace—where people find items at prices they can afford, or perhaps what they should be priced at," O'Connor says.

Westcor Partners

Centers opened in 1990

Superstition Springs Center, East Mesa, Ariz.—963,200 sq. ft.
Scottsdale Fashion Square, Scottsdale, Ariz.—486,000 sq. ft. expansion
Paradise Valley Mall, Phoenix, Ariz.—468,900 sq. ft.
Superstition Springs Power Center, East Mesa, Ariz.—65,000 sq. ft.
Metro Power Center, Phoenix, Ariz.—63,000 sq. ft.
Village Fair North, Phoenix, Ariz.—60,128 sq. ft.

Source: Westcor Partners

Bigger is better for retail in the state of Arizona.

"Arizona developers used to build a lot of mini-regionals, with one or two anchors. In many cases, those department stores are now relocating to more dominant centers. The name of the game here is fewer, but more dominant centers," says Robert Ward, general partner of Phoenix-based Westcor Partners.

Westcor led the way in 1990 by opening the superregional Superstition Springs Center in Mesa, Ariz., and expanding Scottsdale (Ariz.) Fashion Square and Paradise Valley Mall in Phoenix.

The centers have reached 90% occupancy within six months of opening. That reflects Arizona's positive

SHOPPING CENTER AGE

TOP DEVELOPERS

residential growth, Ward says. More than 30,000 people moved to Maricopa County last year. "And for us, that's a down year," he says.

Construction begins at the end of the year on Arrowhead Mall in Glendale, Ariz. The center will open in fall 1993. The firm also has plans for a mall in Chandler, Ariz. for 1995.

Building can continue on existing projects because of the firm's large land holdings, Ward says.

"We don't just buy 100 or 150 acres. In some cases, we have 300 to 500 acres," to build peripheral properties themselves, he observes.

"It creates a synergism," Ward says. ■

Opening two major centers in one year is unusual for the low-key Taubman Co., admits Christopher J. Tennyson, vp-corporate affairs of the Bloomfield Hills,

The Taubman Company

Centers opened in 1990

Cherry Creek, Denver, Colo.—1,000,000 sq. ft.
Bellevue Center, Nashville, Tenn.—800,000 sq. ft.
Stoneridge, Pleasanton, Calif.—250,000 sq. ft. expansion

Source: The Taubman Co.

Mich.-based developer.

"By circumstance, Bellevue Center in Nashville and Cherry Creek in Denver were ready at the same time. We opened both centers in August, only 10 days apart," Tennyson says.

Both projects have been in the works for years. Initial development for Cherry Creek began in the early 1980s. Work on Bellevue started before that, Tennyson points out.

"We've learned over time that patience is very important, waiting for the market to be right and for the major stores to be ready," Tennyson says.

Taubman will complete a \$20 million interior renovation of its Sunvalley center in Concord, Calif. this fall. Preliminary work will begin on expanding Westfarms center in Hartford, Conn. Plans include adding Saks Fifth Avenue and Nordstrom to the center, for a possible 1993 opening. The firm also plans to add 400,000 sq. ft. to Woodfield Mall in Schaumburg, Ill., to open in 1992.

New projects are being developed slowly.

"We are in very preliminary stages on a half-dozen sites, both urban and suburban, for proposed new developments," Tennyson says.

In some respects, the new, more cautious shopping center industry simply is catching up with Taubman's long-standing philosophy.

"We've always been very selective, and done a relatively small number of projects in a given year. The discipline, care, patience and long time frames that are now the norm pretty much have been our history," Tennyson says. ■



There's only One Secret to Retail Success... Location! Location! Location!

Only Kossman Development Company offers you the best value, dollar for dollar, at these prime locations:

- Parkway Center Mall ... Pittsburgh - Parkway West, I-279, Exit 5
- Kossman Building ... Downtown Pittsburgh, at Forbes & Stanwix
- Chartiers Valley Shopping Center ... PA Rt. 50, Kirwan Hts Exit of I-79
- Pittsburgh Plaza East Shopping Center ... N. Versailles - Rts 30 & 48
- Penn Hills Municipal Shopping Center ... Penn Hills - Rt. 380
- Perry Shops ... North Hills - Rt. 19
- Steuben Plaza (new development) ... Robinson Twp. - Rt. 60 at I-79
- Lorain Plaza Shopping Center ... Lorain, Ohio - Oberlin & Meister Rd.s
- Sam's Plaza ... Cincinnati, Ohio - Ridge Ave. & I-71

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greater good?

The systems were not compatible. Fischer Foods had an IBM 3083 mainframe, Seaway had a NAS 6660 mainframe, Rego was driven by an outside service bureau, and Rini had an IBM System 38 minicomputer which Rego hooked into shortly after the merger.

Riser decided to merge the Fischer, Seaway and Rini/Rego systems into a hybrid that emphasized the best of each.

"It was the worst decision we could have made," Rini says. "When we came on line with the hybrid system, it just caved in. We couldn't ship, couldn't build, and couldn't print selecting tickets for the warehouses. We had come to a standstill."

In retrospect, Rini says, Riser should have opted to leave one of the systems intact, with the idea of later upgrading that system or going with a different one. "Unfortunately, we made the wrong choice," he says. "It was a nightmare, and it very nearly drove us out of business."

What saved Riser was that it had another consultant, William Kagler, the former president of Kroger, who had experience with Electronic Data Systems (EDS), the giant computer services firm, Dallas, founded by Ross Perot and now part of General Motors. The firm is one of the world's largest MIS outsourcers, with 1990 sales of \$5.4 billion.

"Kagler sized up the situation quickly. He said that we had no time to lose, and that we lacked the quality people needed to correct what had been done. He contacted EDS, we signed a contract on a Thursday, and by Monday, they brought 20 of their field people in to provide a quick fix to our very fragile system and start rebuilding it."

The cure was expensive, Rini says, "But let's face it—we had no choice. We were in a situation where the only alternative we had was EDS, although we negotiated like we had a lot of different alternatives. In retrospect, there was nobody who needed EDS more than we did."

How did EDS solve Riser's problems? "First, we devoted our resources to getting the systems to at least run," says Tom Nicholson, the EDS account manager for Riser. After quenching the immediate fires, EDS took some other steps, Nicholson says. It combined order entry processes and inventory systems, consolidated data centers into one lo-

Riser Foods Cleveland

CEO: Anthony Rego
Sales: \$1.05 billion (1990)
Profits: \$8.3 million (1990)
Type of company: Supermarket retailer/wholesaler with a foodservice division
Number and size of stores: 50 company-owned supermarkets, averaging 37,000 sq. ft.
Area of operation: Greater Cleveland

cation, renegotiated leases on equipment to reduce expenses, and consolidated scanning systems.

EDS also interviewed all the Riser MIS employees and asked them to remain at their jobs, but as employees of EDS. All but a few agreed.

In the past two years, EDS has worked at further simplifying Riser's hardware and software platforms. On the 3083 mainframe, the company has installed World Wide Chain Store Systems software for purchasing, billing and warehousing; and Compro Financial Systems software for accounts payable and receivable, and general ledger.

The NAS 6660 mainframe is being used for POS and scanning systems, while the System 38 is being phased

out, Nicholson says.

Riser's Rini acknowledges that outsourcing is not a route often followed by retailers. "It's more typical to see a manufacturing company get involved with outsourcing. In fact we're the first large size retail entity that EDS ever established a relationship with beyond niche support."

But the relationship has been a good one, Rini says. So much so, that he is not itching to end it once the next contract renewal comes around.

"The original contract was for seven years, with a window at two years," Rini says. "When that window drew to a close, we started renegotiation, and struck what we thought was a favorable deal. So we extended the contract another two years."

Ironically, Rini says, EDS itself is making it possible for Riser to negotiate tougher, "because the healthier they make us, the less of a critical path we're on."

The change in status has not been lost on EDS, however, and the company has changed its role at Riser from that of a savior to that of a "service and value renderer," Rini says.

EDS still brings some hard-to-match benefits to Riser, Rini says. "Since they are such a large and influential company, they have a lot of clout with vendors. Their ability to buy hardware and software at attractive prices is incredible." ■

BARCODING CONTINUES GAINS SCANNING GREATEST AMONG MASS MERCHANTS

Barcoding and scanning are continuing to make major gains in the retail industry. And mass merchants are committed to scanning vendor-provided and internally generated barcodes more than any other non-grocery class of trade.

These are among the findings from the third annual Barcode/EDI/Quick Response survey prepared by Deloitte & Touche for the National Retail Federation. Respondents to the survey include executives from business segments ranging from department stores and mass merchants to specialty retailers.

The study shows that the most notable growth of retailers' commitment to scanning is among medium-size companies, which are defined as having annual sales of \$50 million to \$500 million. Large operations are

defined as having sales greater than \$500 million, and small organizations are said to have sales less than \$50 million.

"There is growing recognition among retailers of the broad advantages they can achieve through barcoding," says William Blumberg, a partner of the TRADE (Retail & Distribution Services Group) of Deloitte & Touche.

"Using scanning technology, retailers have the ability to manage the flow of merchandise from the vendor to the customer," he says.

Other results of the study show that retailers are increasingly committed to the use of Electronic Data Interchange (EDI) in their dealings with vendors. They cite shortening the reorder fulfillment cycle and reducing inventory levels as key advan-

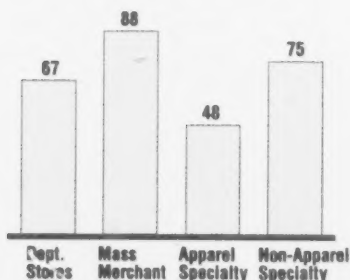
RETAIL TECHNOLOGY

EDI

Commitment to Scanning Barcodes

Is your company committed to scan barcode marked goods?

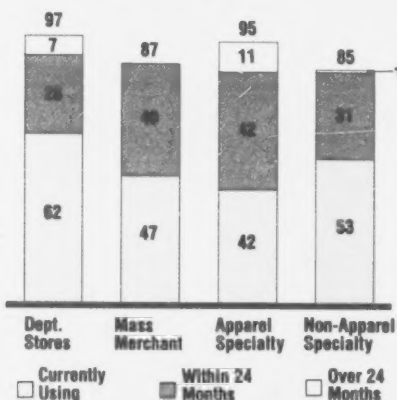
% of Respondents Who Are Committed To Scanning



Source: Deloitte & Touche/National Retail Federation.

Commitment to Internally Prepared Barcodes

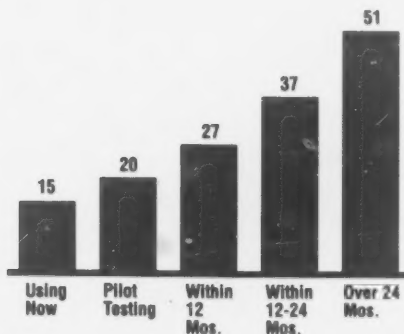
% Committed to Scanning



Source: Deloitte & Touche/National Retail Federation.

Commitment to Use EDI With Vendors

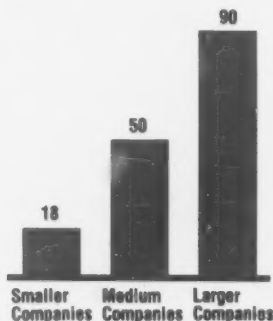
% of Total Respondents (cumulative)



Source: Deloitte & Touche/National Retail Federation.

Commitment to Quick Response

% of Total Respondents



Source: Deloitte & Touche/National Retail Federation.

tages.

However, when it comes to the technological aim of achieving Quick Response (QR) goals within their organizations, more mass merchants and department store executives show commitment than do executives in specialty segments.

Respondents say the greatest efforts toward achieving QR have been made in the areas of systems and organization modification.

Meanwhile, nearly 70% of the respondents indicate they are committed to scanning barcoded merchandise. Mass merchants lead in commitment (88%) followed by non-apparel specialty retailers (75%), de-

partment stores (67%), and apparel specialty (48%).

Within all segments polled, more than 88% of companies with over 50 stores say they are committed to scanning, while 60% of companies with less than 50 stores indicate commitment.

Top scanning benefits, according to respondents across all segments, include unit inventory precision, price accuracy at the point-of-sale, and checkout productivity.

The majority of companies that are committed to scanning say they currently scan, or plan to scan, UPC vendor markings. Among these, two-thirds indicate they will be scanning

UPC vendor-marked barcodes by the end of 1992.

Mass merchants show the highest level of commitment (80%), followed by non-apparel specialty (59%), department stores (52%), and apparel specialty (31%).

In vendor relationships, 55% of companies committed to scanning have established, or plan to establish, UPC programs with vendors. Some 87% of these programs are initiated by retailers, the survey finds.

"The larger the retail company, the more likely it is to take the initiative in establishing UPC programs with vendors," Blumberg says.

At the same time, the commitment

RETAIL TECHNOLOGY

EDI

to use internally-prepared barcodes remains strong. For example, 62% of department stores committed to scanning indicate they are using internally-prepared barcodes, up from 26% the previous year. Nearly all say they will be using internally-prepared barcodes in the future.

Meanwhile, more than 50% of re-

spondents indicate they have installed scanning in some, or all, of their stores for use at POS. This represents an increase in usage of more than 10% compared with last year.

Fifty-eight percent of those committed to scanning say they use the price look-up (PLU) function, compared with 54% last year. In large-

size companies, 76% indicate they currently use PLU.

Companies are increasingly using laser gun technology for scanning (65%), nearly doubling the usage reported last year. Laser guns now outpace wands as the most widely installed technology.

The predominant application retailers cite for non-POS barcodes is inventory taking. All large-size retailers committed to scanning say they use, or plan to use, scanning for warehouse functions and inbound/outbound shipping containers.

For mass merchants committed to scanning, 87% say they use, or plan to use, barcoding for shelf stocking purposes.

Respondents in all retail segments continue to believe the chief barrier to implementing scanning is the cost of investment in the equipment.

The survey found that while 15% of respondents say they are currently using EDI with their vendors, 20% are in pilot tests, and 37% plan to be fully operational by the end of 1992.

Among large size companies, 81% say they are currently using or testing EDI with selected vendors. Companies uncommitted to EDI perceive implementation costs as too great of an obstacle.

Sixty-five percent of respondents support VICS ANSI X.12 standards as their EDI protocol of choice, a 3% increase over last year's findings.

Among respondents committed to EDI, third-party "mailbox" service is by far the preferred implementation approach.

Compared with the last study, the majority of mass merchants (83%) have switched their allegiance from direct link with vendor to third-party "mailbox" service.

The survey found that the larger the company, the more likely its commitment to QR.

Almost all of the large size companies (90%) are committed, and about half of the medium size companies are. But less than one-fifth of the small companies indicate a commitment.

Nonetheless, one-third of all respondents report being committed to general QR concepts, and that level rises to 44% among companies that have committed to scanning. Commitment is even higher (62%) among companies aligned with EDI.

Mass merchants and department store respondents are neck-and-neck in commitment—50% and 49%, respectively.



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PcOS MODELS 51,52,53

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FINANCE

SALES

	4th qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney†	5,260,000	- 0.1	16,365,000	+ 1.6
Sears, Roebuck & Co.	9,443,900	- 1.1	31,985,700	+ 1.2
Sharper Image	68,754	- 21.8	180,178	- 13.6
Williams-Sonoma	109,220	+ 27.1	287,053	+ 25.9

DEPARTMENT STORE CHAINS				
Dillard	1,215,082	+ 11.0	3,605,518	+ 18.3
Gottschalks*	108,153	+ 15.8	287,455	+ 21.4
Jacobson's*	127,477	- 2.3	394,009	NC
R.H. Macy**	2,196,235	- 10.0	3,742,335	- 9.8
May†	3,284,000	+ 1.4	10,660,000	+ 4.8
Mercantile*	786,767	+ 1.6	2,367,210	+ 2.4
Neiman Marcus Group‡	539,376	- 0.3	965,470	+ 2.7
Nordstrom	902,201	+ 5.2	2,893,904	+ 8.3
Strawbridge & Clothier	324,701	- 7.5	981,668	+ 3.3

DISCOUNT STORES				
Consolidated	213,446	+ 2.5	679,303	+ 11.6
Dayton Hudson*	4,865,000	+ 8.5	14,739,000	+ 8.0
Dollar General†	201,803	+ 5.1	653,151	+ 6.2
Family Dollar†	257,212	+ 13.1	481,927	+ 11.0
Hills*	672,393	- 6.6	2,140,868	+ 3.1
Jamesway*	275,390	- 4.2	896,551	+ 4.8
Kmart	9,747,500	NC	32,070,000	+ 8.6
Fred Meyer*	668,794	- 0.6	2,476,055	+ 8.4
Rose's	473,842	- 2.8	1,525,412	+ 1.2
Service Merchandise†	607,727	- 2.8	607,727	- 2.8
Tuesday Morning	46,645	+ 9.4	107,438	+ 11.0
Venture	479,463	+ 0.6	1,420,672	+ 4.8
Wal-Mart	10,358,938	+ 27.8	32,601,594	+ 26.3

SHOE/SPECIALTY CHAINS				
Brown Group†	436,494	- 10.3	1,763,767	- 3.1
Edison Bros.	422,000	+ 15.0	1,253,600	+ 16.8
Genesco*	130,606	- 6.5	476,342	- 3.2
Melville	3,096,698	+ 22.9	8,686,765	+ 15.0
U.S. Shoe*	705,538	- 7.0	2,718,666	+ 6.3
Woolworth	3,064,000	+ 9.6	9,789,000	+ 11.0

APPAREL CHAINS				
Charming Shoppes	257,137	+ 5.9	886,265	+ 9.6
Deb Shops	68,467	+ 6.6	212,258	+ 5.1
Designs	40,444	+ 46.5	120,750	+ 53.5
Frederick's of Hollywood‡	34,085	+ 19.1	59,677	+ 18.7
Gantco*	72,414	- 3.3	254,659	+ 6.9
The Gap	624,726	+ 14.6	1,933,780	+ 21.9
The Limited	1,743,709	+ 10.2	5,253,509	+ 13.0
Merry-Go-Round	220,767	+ 19.6	628,127	+ 31.2
Petrie*	376,518	- 2.9	1,281,845	+ 1.9
Wet Seal	28,466	+ 15.1	107,437	+ 36.5

OFF-PRICE APPAREL				
Burlington Coat Factory‡	385,115	+ 6.2	544,706	+ 10.2
Clothestime	56,646	+ 26.0	209,020	+ 11.7
Dress Barn‡	76,814	+ 12.3	155,508	+ 12.9
One Price Clothing	29,608	+ 0.9	110,849	+ 24.9
Ross	253,605	+ 8.7	804,111	+ 8.5
S & K*	22,965	+ 3.5	66,908	+ 9.7
Syms*	95,740	- 0.6	314,430	+ 4.8
TJX†	714,062	+ 15.4	2,446,279	+ 13.8
50-Off Stores*	28,789	+ 42.9	78,123	+ 35.2

WAREHOUSE WHOLESALE CLUBS				
Bizmart**	70,457	+ 81.5	181,374	+ 106.9
Costco‡	1,248,376	+ 27.6	2,369,368	+ 30.7
Office Club	79,615	+ 68.0	280,532	+ 91.2
Office Depot*	181,053	+ 74.4	625,764	+ 98.9
Price‡	1,361,967	+ 24.6	3,524,027	+ 21.1
Staples*	91,854	+ 58.7	298,733	+ 64.4
Waban*	634,460	+ 13.9	2,409,726	+ 17.2
Warehouse Club†*	70,253	- 3.5	70,253	- 3.5

EARNINGS

	4th qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney†	206,000	- 43.9	577,000	- 29.8
Sears, Roebuck & Co.	95,600	- 74.1	257,400	- 60.2
Sharper Image	2,028	- 66.8	(2,318)	NA
Williams-Sonoma	8,364	+ 19.0	11,210	+ 25.6

DEPARTMENT STORE CHAINS				
Dillard	92,309	+ 7.9	182,778	+ 23.4
Gottschalks*	5,933	NC	6,428	+ 74.3
Jacobson's*	7,226	+ 41.6	7,601	- 30.9
R.H. Macy**	(7,296)	NA	(73,999)	NA
May†	252,000	- 11.0	500,000	- 2.9
Mercantile*	44,674	- 23.8	123,614	- 9.3
Neiman Marcus Group‡	14,426	- 31.3	24,703	- 18.7
Nordstrom	46,297	+ 47.3	115,816	+ 0.8
Strawbridge & Clothier	13,818	- 46.1	17,221	- 44.7

DISCOUNT STORES				
Consolidated	6,994	NA	4,545	NA
Dayton Hudson*	235,000	- 6.0	410,000	NC
Dollar General†	8,913	+ 22.4	14,616	+ 18.1
Family Dollar†	11,988	+ 29.2	19,769	+ 29.5
Hills*	1,701	- 93.6	34,415	+ 1083.4
Jamesway*	(3,741)	NA	(6,047)	NA
Kmart	402,300	NA	756,200	+ 134.3
Fred Meyer*	15,570	- 40.7	33,583	- 20.8
Rose's	(27,616)	NA	(27,761)	NA
Service Merchandise†	(13,246)	NA	(13,246)	NA
Tuesday Morning	5,572	+ 20.5	4,744	+ 9.9
Venture	26,351	+ 3.2	34,489	+ 185.8
Wal-Mart	481,843	+ 13.1	1,291,024	+ 20.0

SHOE/SPECIALTY CHAINS				
Brown Group†	7,806	- 26.4	31,775	+ 3.1
Edison Bros.	29,400	- 4.5	59,000	- 3.6
Genesco*	2,167	- 72.8	1,282	- 93.2
Melville	234,928	- 1.3	385,261	- 3.2
U.S. Shoe*	1,723	- 92.6	30,238	- 38.5
Woolworth	149,000	- 14.9	317,000	- 3.6

APPAREL CHAINS				
Charming Shoppes	14,534	+ 36.4	40,346	+ 10.8
Deb Shops	7,286	- 26.1	13,573	- 23.1
Designs	1,870	NA	2,096	NA
Frederick's of Hollywood‡	2,475	+ 21.4	3,084	+ 26.1
Gantco*	(3,035)	NA	(8,792)	NA
The Gap	56,480	+ 65.1	144,522	+ 48.0
The Limited	172,181	+ 12.5	398,438	+ 14.8
Merry-Go-Round	13,966	+ 26.8	37,496	+ 68.6
Petrie*	8,829	- 55.1	13,607	- 57.8
Wet Seal	1,163	- 44.5	7,181	+ 22.5

OFF-PRICE APPAREL				
Burlington Coat Factory‡	26,699	- 23.3	22,730	- 26.1
Clothestime	61	NA	78	- 83.1
Dress Barn‡	1,877	+ 4.7	5,959	- 3.7
One Price Clothing	1,513	+ 11.9	4,426	+ 15.3
Ross	9,857	- 34.8	16,645	- 44.2
S & K*	798	- 45.8	1,781	- 67.8
Syms*	4,624	- 48.0	13,408	- 27.0
TJX†	15,284	+ 8.3	74,128	+ 1.6
50-Off Stores*	1,722	+ 120.2	2,816	+ 108.1

WAREHOUSE WHOLESALE CLUBS				
Bizmart**	78	- 82.1	(720)	NA
Costco‡	21,792	+ 45.4	35,538	+ 62.7
Office Club	1,532	+ 167.4	3,113	NA
Office Depot*	2,630	+ 61.0	9,657	+ 62.4
Price‡	27,862	+ 7.6	74,889	+ 6.7
Staples*	2,375	+ 17.0	5,611	+ 71.2
Waban*	8,700	+ 21.0	23,700	- 17.7
Warehouse Club†*	460	+ 50.3	460	+ 50.3

NA = not applicable because of loss in either current or comparable period

NC = no change

†before extraordinary items or changes in accounting principles

‡continuing operations only

*first quarter figures

‡second quarter figures

*third quarter figures

†fourth quarter figures

Source: Company reports

FINANCE

SALES					EARNINGS				
	4th qtr. (000 omitted)	% change	YTD (000 omitted)	% change		4th qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS					HARD LINES CHAINS				
Blockbuster Entertainment	179,238	+ 37.4	632,670	+ 57.2	Blockbuster Entertainment	21,187	+ 35.6	68,654	+ 55.5
Circuit City*	740,785	+ 8.3	2,366,901	+ 13.9	Circuit City*	26,674	- 18.6	56,651	- 18.4
Claire's	88,251	+ 12.6	255,135	+ 34.2	Claire's	10,249	- 12.5	20,453	+ 5.1
Computer Factory ¹	84,569	- 32.9	84,569	- 32.9	Computer Factory ¹	(530)	NA	(530)	NA
Fabri-Centers	133,411	+ 25.9	385,639	+ 15.7	Fabri-Centers	8,792	+ 31.2	11,224	+ 28.1
Good Guys ¹	124,510	+ 42.5	124,510	+ 42.5	Good Guys ¹	4,954	+ 36.8	4,954	+ 36.8
House of Fabrics	115,358	+ 10.8	393,495	+ 10.1	House of Fabrics	6,456	+ 15.4	13,831	+ 24.5
Lechters	74,229	+ 17.6	187,556	+ 19.6	Lechters	7,778	+ 9.0	10,101	+ 12.0
Lionel	217,528	- 4.0	426,412	- 0.6	Lionel	6,430	- 49.9	(5,930)	NA
Michaels	133,400	+ 28.3	362,028	+ 24.9	Michaels	4,800	NA	5,855	+ 4493.8
Oshman's*	96,809	- 11.0	318,100	+ 0.3	Oshman's*	2,264	- 31.6	(2,118)	NA
Pep Boys-M.M.J	212,547	- 1.4	884,674	+ 10.8	Pep Boys-M.M.J	6,678	- 21.0	37,530	+ 7.0
Spec's Music ²	18,804	+ 24.9	31,055	+ 24.9	Spec's Music ²	1,211	+ 11.7	1,182	- 0.4
Stor Furnishings Int'l ³	16,225	- 3.2	57,304	+ 13.0	Stor Furnishings Int'l ³	(1,869)	NA	(3,426)	NA
Tiffany & Co.	141,979	+ 9.5	455,712	+ 18.7	Tiffany & Co.	15,067	- 5.7	36,661	+ 10.1
Toys "R" Us	2,548,558	+ 9.5	5,510,901	+ 15.1	Toys "R" Us	237,541	- 1.7	325,988	+ 1.5
Trans World Music	139,377	+ 16.9	356,564	+ 14.0	Trans World Music	9,439	- 6.8	14,481	+ 8.6
SUPERMARKETS					SUPERMARKETS				
Albertsons	2,111,255	+ 8.9	8,218,562	+ 10.7	Albertsons	73,883	+ 22.6	233,774	+ 18.9
A & P	2,772,991	+ 8.0	11,390,943	+ 2.2	A & P	31,581	- 8.5	150,954	+ 2.9
American	5,708,228	- 7.1	22,155,530	+ 0.7	American	86,034	+ 61.9	182,387	+ 54.4
Bruno's ²	713,387	+ 11.0	1,300,151	+ 10.7	Bruno's ²	18,535	+ 14.3	33,921	+ 16.9
Eagle Food Centers	286,933	- 6.7	1,124,930	- 0.5	Eagle Food Centers	(7,267)	NA	(1,860)	NA
Food Lion ¹	1,417,188	+ 18.0	1,417,188	+ 18.0	Food Lion ¹	43,912	+ 18.3	43,912	+ 18.3
Giant Food	1,058,694	+ 0.2	3,349,546	+ 3.1	Giant Food	39,725	+ 2.4	118,981	+ 9.8
Hannaford Bros.*	433,940	+ 7.1	1,687,649	+ 11.0	Hannaford Bros.*	8,713	+ 10.9	42,219	+ 12.8
Ingles Markets ¹	262,276	+ 7.2	262,276	+ 7.2	Ingles Markets ¹	2,332	- 11.3	2,332	- 11.3
Kroger*	4,985,502	+ 7.1	20,260,974	+ 6.1	Kroger*	57,232	+ 973.8	83,289	NA
Marsh ²	257,740	+ 7.0	846,677	+ 10.8	Marsh ²	3,470	+ 14.0	10,905	+ 20.8
Penn Traffic	691,942	- 12.2	2,770,875	+ 2.6	Penn Traffic	918	NA	(27,465)	NA
Quality Food*	113,451	+ 16.0	347,652	+ 9.1	Quality Food*	5,299	+ 28.5	15,937	+ 16.0
Safeway	4,636,900	+ 2.7	14,873,600	+ 3.8	Safeway	27,700	NA	87,100	+ 3384.0
Seaway Food Town ²	143,664	+ 2.2	279,929	+ 1.9	Seaway Food Town ²	36	- 70.7	84	- 84.1
Smith's Food & Drug	532,271	+ 11.4	2,031,373	+ 17.3	Smith's Food & Drug	3,021	+ 23.9	34,314	+ 31.3
Supermarkets General*	1,533,550	- 9.0	6,125,963	- 2.7	Supermarkets General*	(562)	NA	(41,468)	NA
Village Super Markets ²	173,960	NC	327,220	- 0.3	Village Super Markets ²	389	- 75.8	632	- 75.0
Vons	1,261,900	+ 1.4	5,333,900	+ 2.2	Vons	16,500	+ 450.0	48,500	NA
Weis Markets ¹	325,475	+ 3.7	325,475	+ 3.7	Weis Markets ¹	20,808	+ 9.6	20,808	+ 9.6
Winn-Dixie ²	3,079,874	+ 3.5	5,364,532	+ 4.3	Winn-Dixie ²	49,087	+ 17.5	73,480	+ 9.9
CONVENIENCE STORES					CONVENIENCE STORES				
Casey's General Store ³	144,900	+ 20.3	443,600	+ 16.2	Casey's General Store ³	1,932	- 3.4	8,000	+ 2.6
Circle K ³	931,964	+ 6.8	2,893,426	+ 2.3	Circle K ³	(21,206)	NA	(47,626)	NA
Dairy Mart*	141,593	+ 5.9	588,241	+ 9.7	Dairy Mart*	199	NA	3,813	+ 15.1
National Convenience ²	283,147	+ 13.8	575,350	+ 7.4	National Convenience ²	427	NA	1,447	- 78.1
Southland*	2,051,007	+ 0.1	8,410,056	+ 0.7	Southland*	1,493	NA	(197,417)	NA
Uni-Marts ¹	70,063	+ 22.0	70,063	+ 22.0	Uni-Marts ¹	955	+ 13.6	955	+ 13.6
DRUG STORES					DRUG STORES				
Arbor*	107,294	+ 18.6	200,172	+ 18.0	Arbor*	4,131	+ 12.9	6,794	+ 12.2
Big B	136,342	+ 2.8	463,689	+ 11.0	Big B	2,445	+ 198.2	(1,465)	NA
Fay's*	190,670	+ 17.9	672,638	+ 17.2	Fay's*	5,046	+ 43.6	12,347	+ 19.1
Genovese*	113,100	+ 2.4	432,005	+ 6.6	Genovese*	2,680	+ 308.5	5,274	+ 90.3
Longs	680,911	+ 12.6	2,333,767	+ 10.6	Longs	17,197	- 9.0	59,622	- 2.7
Perry ¹	171,152	- 4.4	171,152	- 4.4	Perry ¹	1,458	- 51.9	1,458	- 51.9
Revco ³	467,440	+ 2.2	1,293,169	+ 3.5	Revco ³	(7,341)	NA	(46,076)	NA
Rite Aid†	932,550	+ 8.7	3,447,486	+ 8.7	Rite Aid†	39,000	+ 11.6	107,300	+ 31.0
Walgreen ²	1,820,822	+ 10.6	3,361,330	+ 10.8	Walgreen ²	71,611	+ 15.6	103,750	+ 14.6
HOME CENTERS					HOME CENTERS				
Grossman*	183,722	+ 0.7	812,485	- 22.8	Grossman*	(9,462)	NA	(3,873)	NA
Hechinger*	309,829	- 0.8	1,397,120	+ 13.0	Hechinger*	(849)	NA	23,259	- 24.9
Home Depot	1,007,542	+ 41.3	3,815,356	+ 38.3	Home Depot	41,476	+ 40.2	163,428	+ 46.0
Lowe's	586,024	- 2.3	2,833,108	+ 6.9	Lowe's	5,064	- 50.0	71,087	- 5.1
Wolohan Lumber*	67,748	+ 4.4	295,570	+ 8.6	Wolohan Lumber*	2,765	+ 13.5	11,826	+ 6.6
NON-STORE RETAILERS					NON-STORE RETAILERS				
Home Shopping Network ²	267,700	+ 2.2	559,400	+ 8.2	Home Shopping Network ²	6,700	- 43.2	18,700	- 31.0
Lands' End	229,331	+ 13.9	603,975	+ 10.8	Lands' End	15,004	- 9.3	14,743	- 49.3
QVC Network	250,043	- 11.7	776,029	+ 71.2	QVC Network	8,965	+ 166.7	(16,985)	NA
Spiegel	773,875	+ 15.5	1,993,428	+ 17.6	Spiegel	35,962	- 27.3	61,522	- 16.0

N/A = not applicable because of loss in either current or comparable period
 N/C = no change
 *before extraordinary items or changes in accounting principles
 †continuing operations only
 †first quarter figures

²second quarter figures
³third quarter figures
⁴fourth quarter figures
 Source: Company reports

POST-WAR HIGH DOESN'T AID SPENDING BUT MANY LARGE RETAILERS ROAR AHEAD IN MARCH

Any hopes that the end of the war in the Persian Gulf would lead to an immediate revival of consumer spending were dashed in March, as retail sales posted by the U.S. Commerce Department declined 0.8% during the month.

Nonetheless, many of the nation's largest retailers, including Wal-Mart Stores and Kmart, the No. 1 and No. 2 chains respectively, showed sales gains that were dramatically improved since the war's start.

On the other hand, the former No. 1 retailer, Sears, Roebuck, reported another disappointing month, with total sales dropping 3.9% to \$2.98 billion. Comparable store sales dropped 3.6%.

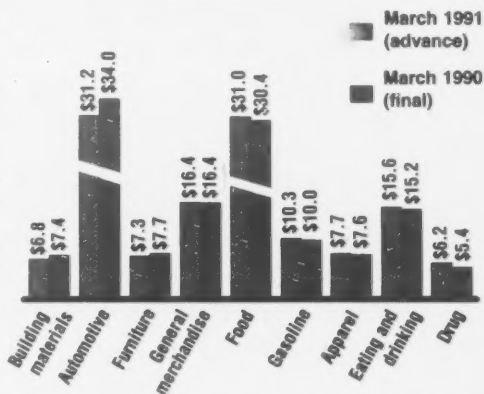
Sales at J.C. Penney were also off. The chain posted an 8.2% overall decline and a 9.6 same-store decline during the March period.

Big gains were reported by several specialty apparel chains, including The Gap and The Limited, which showed overall increases of 33% and 22% respectively.

Analysts believe that an early Easter helped buoy the results of the successful chains.

MARCH SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	March '91 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Wal-Mart	3,320,000	+37.0	+12.0	6,022,000	+37.0	+12.0
Kmart	3,005,396	+10.3	+6.3	5,117,477	+10.5	+6.3
Sears	2,980,466	-3.9	-3.6	5,099,706	-3.8	-3.7
Penney	1,404,000	-6.6	-8.0	2,334,000	-5.5	-6.9
Dayton Hudson	1,320,000	+12.0	+1.0	2,230,000	+11.3	+0.4
May	909,300	+9.2	+0.7	1,536,800	+8.0	-0.7
Melville ¹	912,981	+24.9	+4.7	2,202,811	+24.9	+2.2
Walgreen ¹	588,000	+15.6	+11.8	1,653,760	+12.5	N/R
Woolworth	551,000	+11.3	+6.6	903,000	+7.5	+2.9
The Limited	520,300	+22.0	+8.0	880,000	+18.0	+3.0
Mercantile	232,141	+10.1	+7.4	366,329	+7.2	+4.6
Circuit City ²	182,000	+15.0	-1.0	182,000	+15.0	-1.0
The Gap	214,000	+33.0	+15.0	333,000	+26.0	+9.0
Rose's	108,396	N/R	-0.7	211,183	N/R	-1.4
Neiman-Marcus Group ³	161,200	+10.3	+4.7	1,239,300	+6.1	+0.3
Venture Stores	131,200	+11.1	+6.2	212,800	+10.8	+6.3
Edison Bros.	123,500	+31.0	N/R	205,500	+27.6	N/R
Jamesway	74,313	+5.0	+3.0	117,620	+2.0	-1.0
Charming Shoppes	92,100	+21.0	+13.0	149,000	+19.0	+11.0
Ross	81,000	+16.0	+1.0	133,000	+18.0	+2.0
Dollar General	46,500	+7.4	+3.5	87,100	+8.7	+4.5
Best Buy ⁴	59,000	+16.0	N/C	59,000	+16.0	N/C
Gettschalks	24,704	+17.3	+4.5	42,276	+20.4	+7.2
Claire's	23,105	+10.0	-4.0	38,565	+11.0	-4.0

¹fiscal year ends Dec. 31 ²fiscal year ends Feb. 28 ³fiscal year ends July 31 ⁴fiscal year ends Mar. 31 N/R = not reported N/C = no change Source: Company reports

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